

September 30, 2020

Christine Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms Long:

EB-2020-0048 – Oshawa PUC Networks Inc. – 2021 Electricity Distribution Rates

Please find, attached, interrogatories on behalf of the Consumers Council of Canada for Oshawa PUC Networks Inc. pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: All parties

INTERROGATORIES FROM THE CONSUMERS COUNCIL OF CANADA

FOR OSHAWA PUC NETWORKS INC.

RE: 2021 ELECTRICITY DISTRIBUTION RATES

EB-2020-0048

CCC-1

Please explain how the COVID-19 pandemic has impacted OPUCN's revenues and costs for 2020. Please set out any amounts booked to the COVID-19 Deferral Account (and sub-accounts) established by the OEB on March 25, 2020.

CCC-2

Ex. 1

Please provide copies of all materials presented to OPUCN's Board of Directors regarding this rate application. When was this Application approved by OPUCN's Board of Directors? Please provide all directions provided to OPUCN staff regarding the development of the 2021-2025 budgets. Please provide a timeline for the budgeting process.

CCC-3

Ex. 1/p. 11

Please indicate when the 2020 customer survey is expected to be completed. Please file it when it is completed.

CCC-4

Ex. 1/p. 43

Please recast Table 1.14 – Operations, Maintenance and Administration Expense Change 2015-2021 to include forecast numbers.

CCC-5

Ex. 1/p. 44

The evidence states that with respect to labour costs, "Factoring in related changes to Parent company management fees and affiliate service fees, the net cost is increasing at a compound annual growth rate of 1.7% to the 2021 Test Year versus 2015 Board-approved amounts and at a compound annual growth rate of 1.2% to the 2021 Test Year versus 2019 Approved." Please explain this and identify the offsetting cost reductions in the management fees and affiliate service fees.

CCC-6

Ex. 1/p. 45 and Ex. 4/p. 23

What is the overall cost of the Mondelis Actuarial work and how is it to be recovered? Was it subject to an RFP process? If not, why not?

CCC-7**Ex. 1/p. 45**

What percentage of OPUCN's OM&A costs are related to sub-contractors? Is this work subject to an RFP process? If not, why not?

CCC-8**Ex. 1/p. 46**

Please explain why there has been a significant increase in the number of Management FTEs since 2015 (10).

CCC-9**Ex. 1/p. 47**

Please provide the Board-approved and actual ROE for each year 2015-2019.

CCC-10**Ex. 1/pp. 56-68**

What was the overall cost of the customers engagement activities OPUCN undertook regarding its rate application? How are those costs recovered?

CCC-11**Ex. 1/p. 74**

Please provide a detailed explanation as to why the cost per customer significantly increased in 2019 relative to historical levels.

CCC-12**Ex. 1/p. 75**

Please provide a schedule setting out OEB approved capital amounts (broken out by category) for the years 2015-2019.

CCC-13**Ex. 1/p. 86**

OPUCN is proposing unit-based performance metrics. Does OPUCN have the historical data regarding each these metrics? For example, for 2019 what is the actual \$/pole installed? If so, please provide the historical data for each of the metrics for the period 2015-2020. What are the targets for each of these metrics for the period 2021-2025?

CCC-14**Ex. 1/p. 89**

Does OPUCN intend to acquire or amalgamate with another distributor in the near future? Please describe the role of the VP Business Development. Is that role part of OPUCN or its parent corporation?

CCC-15

Ex. 1/p. 90

OPUCN has provided the results of its customer engagement activities in Appendices to Exhibit 1:

1. Please fully describe how these activities contributed to the development of the DSP and the capital expenditures planned for the period 2021-2025;
2. Please provide a detailed timeline setting out the development of the DSP; and
3. Please describe the process followed in developing the DSP.

CCC-16**Ex. 2/p. 42**

Please recast Table 2-23 Appendix 2-AA Capital projects to include forecast amounts for each year 2015-2020.

CCC-17**Ex. 2/p. 42 – Appendix 2-AA**

For 2020 please provide updated capital numbers by project.

CCC-18**Ex. 2/p. 42 – Appendix 2-AA**

Please provide a copy of OPUCN's fleet replacement policy. Please explain why there is a significant increase in fleet expenditures in 2020 and 2021.

CCC-19**Ex. 2/. 42 – Appendix 2-AA**

Please explain why there were no IT-General expenditures during the period 2015-2019.

CCC-20**Ex. 2/p. 42 – Appendix-2AA**

For MS9 Substation please provide a detailed forecast of the project costs and the actual costs incurred. Please provide a detailed forecast for the MS9 and Enfield Feeders project and the actual costs incurred.

CCC-21**Ex. 3/p. 6 and 36**

Please explain why in each year 2015-2019, with the exception of 2017 OPUCN's actual Other Revenue amounts exceeded the Board-approved levels.

CCC-22**Ex. 3/p. 8**

With respect to OPUCN's load forecast methodology:

1. Was OPUN's load forecast prepared internally? Did OPUCN obtain an independent assessment of its load forecasting methodology and the 2021 results? If not, why not?

2. Please indicate in what ways the methodology used in this application differs from the one used in the 2015-2019 Application.

CCC-23

Ex. 3/p. 42

Please explain how OPUCN prepares its forecast of Specific Service Charges. Please explain why the forecasts for 2020 and 2021 are significantly lower than historical levels. Please provide an updated amount for 2020.

CCC-24

Ex. 4

Please provide a detailed schedule setting out all productivity gains and efficiencies achieved by OPUCN in the period 2015-2020. Please identify all productivity and the associated cost savings embedded in the 2021 budget – please include OM&A and Capital.

CCC-25

Ex. 4/p. 12

Please provide all materials related to the ‘People Strategy’.

CCC-26

Ex. 4/p. 15

Please provide a copy of OPUCN’s overtime policy. Please identify the overtime costs incurred in each year 2015-2020 and the forecast for 2021

CCC-26

Ex. 1/p. 79 and Ex. 4/p. 20

Please identify all conservation and demand management program costs in its 2021 revenue requirement? Please identify what type of collaboration on energy activities OPUCN is doing with the City of Oshawa and the Region of Durham. What is the cost of those initiatives for 2021?

CCC-27

Ex. 4/p. 40

Does OPUCN expect to increase the number of its customers on electronic billing in 2021? If so, have the savings been embedded in the forecast?

CCC-28

Ex. 4/p. 44

The evidence states that OPUCN regularly undertakes compensation benchmarking against relevant industry comparators to ensure the best combination of costs and talent. Please provide all materials related to the benchmarking referred to.

CCC-29

Ex. 4/p. 45

The evidence refers to a variable incentive plan for management and non-Union staff. Please provide all of the details of this plan. What assumptions does OPUCN use when including these costs in the 2021 forecast?

CCC-30

Ex. 4/p. 50

Please file all shared services agreements between OPUCN and its affiliates.

CCC-31

Ex. 4/p. 65

Please provide a detailed breakdown of the proposed \$344,133 in regulatory consulting costs supporting this application. Does OPUCN benchmark its regulatory costs? If not, why not?

CCC-32

Ex. 5/p. 4

What is the current status of the \$10 million 2020 debt issuance?

CCC-33

Ex. 9/p. 3

What is the current status of the special purpose audit? When does OPUCN expect to dispose of the Group 1 and Group 2 accounts?